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DDI-01401/84

INTELLIGENCE PRODUCERS COUNCIL

1 MAR 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Production Enhancement Initiatives

1. Action Requested: None. For your information only.

2. Background: The Science and Technology Advisory Panel (STAP) invited the Intelligence Producers Council Staff to brief them on the production enhancement program. The attached material was prepared as background for the brief and provides an informal, historic summary of the program.

During the briefing, some of the members of the STAP expressed concern about the short (two year) life of an initiative and the relatively small amount of money applied to the program. Comparisons were made to exploratory funding in private industry. It is not known, however, whether the STAP will communicate these concerns to you.

3. IPC Action: In preparation for the FY 1986 production enhancement submissions, the Intelligence Producers Council plans to meet this summer to discuss truly innovative projects and the level of Community cooperation in order to obtain the maximum benefit from the program.

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Richard J. Kerr
Chairman

Attachment:
as stated

cc: DDI
Executive Director

COVERING MEMORANDUM IS UNCLASSIFIED
WHEN ATTACHMENT IS REMOVED

DCI EXEC REG

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28 February 1984

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PRODUCTION ENHANCEMENT PROGRAM

Background

In 1979, Admiral Turner, then DCI, set up a program for the direct enhancement of the quality of analysis or exploitation. His guidance was, and continues to be under Mr. Casey, that managers and analysts search for new, innovative, and speculative ways to improve analytic production. Projects should have a high payoff, a modest cost, and show cross-program cooperation. No manpower augmentation would be authorized. This means that much of the work is done by contract. Projects are to be considered outside of regular submissions, and would be add-ons to approved programs. The projects would be funded for two years and then, if successful enough to be continued, included in regular funding by the program manager. Items at risk in regular programs would be considered as well.

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The basic guidance has changed little under the direction of Mr. Casey. Project submissions are now also matched with the DCI's goals and objectives. In addition, Mr. Casey has made known his particular interests in several areas--terrorism, technology transfer, political instability, and narcotics.

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The Process

A production enhancement initiative is a request for funds to perform a task or series of tasks to improve some aspect of the production process. Most of the tasks depend heavily upon external research, in the form of academic experts, ADP specialists,

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organizations with sophisticated technical facilities, or a combination of those components. [redacted] 25X1

The production enhancement submissions are tied to the regular budget cycle. This means that program managers receive a budget call for projects in June and make their submissions to the budget director in September for the next fiscal year. The proposals are reviewed by the Intelligence Producers Council and Community experts, with recommendations forwarded to the DCI in early November. Once the DCI approves the projects, the package is sent to the budget director to be incorporated in the NFIP budget. The funds, when appropriated, are subsequently transferred to the appropriate program manager. Unless there is a major discrepancy, the budget director will more or less automatically incorporate the second year funding into the NFIP budget. [redacted] 25X1

With respect to the justification of a project, the proposal is supposed to be sensitive to the DCI's guidance. It is reviewed by the Program Manager and usually given a priority. After the program manager sends his package to the budget director, it is collated and forwarded to the IPC Staff for substantive evaluation. The Staff makes the first review--to test the proposals against the DCI guidelines and to assign the projects to expert evaluators, such as to one or more of the DCI Production Committees. Each participating agency of the IPC receives a complete package for review and comment. In some cases individual experts or groups are sought, such as a NIO, the DCI's Foreign Language Training Committee or a Collection Committee. The evaluators are charged to examine the project in terms of its utility to the Community, and whether it would duplicate other work in progress, funded, or recently completed--as well as the basic DCI guidance mentioned earlier. [redacted] 25X1

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The IPC Staff receives all the comments and places the PEIs in two categories: recommended and not recommended. For the FY 1984 package, a third category--marginal--was added because, while the topics were important and gave the DCI more options, they failed to meet one of the guidelines. A completed package is then assembled with a general order of priority and forwarded to the IPC principals for final review and comment. It is then sent to Mr. McMahon and Mr. Casey. The ranking of recommended projects has only some influence on the DCI's decisions--since he chooses whatever he wants. In the past he has rejected two entire packages (in FY 83 the program was suspended and last fall (1983) a second round of proposals was required), and he also picked a project from a "not recommended" group because he wanted that topic to be addressed. In that case, the program manager modified his project to make it conform to the DCI's criteria. [redacted] 25X1

The merits of proposals recommended for approval are usually quite evident. The failings of proposals vary widely: some proposals are too vague or brief to be helpful. Others are duplicative, or have narrow objectives that go no farther than an analysts' desk. In a number of instances the project sponsor was asked to provide additional information--at least enough to make sense of the project. [redacted] 25X1

Once the DCI has approved a package, all participants are informed and the budget director takes over on the fiscal side. In the months before a project is scheduled to start, the IPC Staff meets with the project sponsor to get an overview briefing that includes the milestones. [redacted] 25X1

At the end of the first year of a project, an evaluation is conducted which again involves the appropriate production committees. The evaluators are asked to assess the benefit of the project to the Community--to the extent possible. The IPC Staff then

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prepares a report to the DCI on the status of the various projects, the costs and benefits to date, and any problems. An evaluation report is also made at the end of the DCI's two-year funding cycle on the success of the project. 25X1

In the future, with respect to the evaluation process, the STIC and the WSSIC will be invited to look at all projects and also the IPC Staff will seek to get a briefing from the project sponsors at some time during the cycle. 25X1

Since its inception, there have been a total of 40 projects approved for funding. Only the success rate of the first two years of projects can be reported upon. In many projects, several tasks are involved and more than one application can be identified (see Tab). To date 18 of 25 projects have received additional funds by sponsors or cooperative contributions, or have been integrated into regularly funded programs. Work was completed on three projects for which no follow-on funding was identified--an academic research project and two equipment purchases for production support. Two projects were aborted--an interagency analysis group and R&D forecasting--and two were funded but not under this program. Because of contracting delays, some projects started in FY 1982 have not been completed. 25X1

The benefits from these projects to date include such items as:

1. System designs for improved data base and information handling.
2. Simulation models.
3. Report generators.
4. Centralized files and integrated files.
5. Rocket motor test results to improve assessments of Soviet rocket motor thrust levels.

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6. [redacted] 25X1

7. An improved DOD intelligence production data base, including workloads, production responsibilities files, product deficiency files, manpower and functional management files.

8. Twelve research papers on Chile, Yugolsavia, Brazil, and India, with another six to ten in process.

9. Research on problem structuring aid for analysts and alternative probability systems, and preparation of a report on evidence and inference for intelligence analysts.

10. [redacted] 25X1

11.

12.

13.

14. Data base development on terrorism, demographics, and information related to political instability. [redacted] 25X1

The number of projects approved has varied--presumably with some dependence on funding levels as well as the appeal of the project. Funds for enhancements have been reduced significantly since Admiral Turner proposed spending [redacted] 25X1

[redacted] 25X1

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In summary, the program is in its fourth year and has shown some tangible results, and an opportunity to demonstrate a Community sensitivity to cooperation in external research for improvements to intelligence production. There have been a number of successes in these ventures and, as may be expected, a few experiments which did not meet expectations. [redacted] 25X1

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THE DCI PRODUCTION ENHANCEMENT PROGRAM

1. Guidelines
2. Project Categories
3. Functional Tasks/Applications
4. FY 1984, FY 1985 Approved Projects
5. Sponsors
6. Funding

PREPARED FOR THE SCIENCE AND TECHNOLOGY PANEL

BY THE

INTELLIGENCE PRODUCERS COUNCIL STAFF

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GUIDELINES

- -- New, innovative ways to improve the quality of intelligence analysis.
- -- Speculative.
- -- High payoff, benefit to the Community.
- -- Two-year funding, modest cost projects.
- -- Meet the DCI's urgent and early needs, be responsive to DCI's goals and objectives.
- -- May not involve manpower augmentation.
- -- Competition among projects, but not against regular program submissions.

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FUNCTIONAL TASKS/APPLICATIONS

Functional Tasks	81	82	84	85	Total
1. Computer Applications	5	6	3	5	19
2. Data Base Development	2	3	3	2	10
3. Research and Analysis	4	6	2	4	16
4. Training Aids	1	-	1	1	3
5. Simulation/Model	2	2	1	2	7
6. Methodology	5	4	1	2	12
7. Exploitation	2	1	1	3	7
8. Equipment Procurement	2	-	-	1	3
9. Collection as an Intermediate Step	1	1	-	2	4
10. Analyst Support Operations	2	-	-	-	2

Applications					
1. Analyst Aids	6	4	5	9	24
2. S&T	1	1	2	5	9
3. Policy Decisions	1	1	2	2	6
4. Products	2	3	1	3	9
5. I&W	1	1	1	-	3

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